47 TOP SECRET

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## GENERAL

- 1. Ambassador Smith's comments on Soviet note—US Ambassador Smith in Moscow interprets the 10 May Soviet note in reply to the US note of 4 May as being in effect "our state—ment in reverse." Smith comments that during an interview with Foreign Minister Molotov, following transmission of the Soviet note, "no proposals or feelers of a more definite nature were made." Smith believes that the Soviet statement means that the USSR has taken note of the US declaration of intent, appreciates the determination of the US to proceed as indicated, and wishes the US to know that the Soviet Union is not going to change its policy for the time being. Smith believes that the Soviet leaders "are not ready to talk yet, but have not closed the door. Just as we have made a statement for the record, so have they."
- 2. Bevin foresees natural "sorting cut" in Palestine—US Embassy London reports that Foreign Minister Bevin endorses efforts to secure a Palestine truce and believes the truce proposals to be generally sound. Bevin adds his belief that although King Abdullah's exact intentions are not known, if the Transjordan Legion should move into Palestine at all, it would only occupy legitimate and clearly recognized Arab portions. Bevin expresses the hope that both Arabs and Jews will keep out of each other's areas and thereby prepare for a natural "sorting out of Palestine" and an effective truce, under which the Arabs and Jews might provide separate militias for the maintenance of order and administration.

UK instructs UN delegation on Palestine—The US delegation to the UN has learned that the UK delegation has received the following instructions: (a) the legal basis for the proclamation of a Jewish state should be removed; (b) entry into Palestine of additional war materiel and personnel should be stopped or restricted, particularly from Soviet sources; (c) a legal basis should be provided to permit the establishment of a small group

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of states, excluding the USSR, to ensure observance of the loregoing. The UK favors implementation of these objectives through a simple mediatory agency created by a General Assembly restlution, although it does not reject the alternative of trusteeship.

## THE AMERICAS

3. PANAMA: Post-election tenseness—US Embassy Panama reports that: (a) three of the Presidential candidates claim a "clear-cut victory" in the 9 May elections; (b) the situation is "tense"; and (c) it is doubtful that the presidential succession will be settled on the basis of the election returns.

(CIA Comment: A sudden overthrow of the Panamanian Government might be precipitated when the results of the elections are known in the next few days. If Armulfo Arias received more votes than any of the other contestants, and if the Jimenez Administration seeks to deny Arias the presidency, it is likely that Arias and his followers will instigate an early coup. It such a coup is attempted, it may occur between midnight and dawn and will probably be accomplished with extreme rapidity. With a minimum of violence and bloodshed, and without causing serious jeopardy to American property and citizens.)

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